



IGA quarterly news

Intergovernmental Affairs

Special Feature Inside:

Guest Columnist:

John Pastor, Director, International Center of Excellence at the Delaware Economic Development Office

The following publications are available upon request:

- A Year in Iraq
- Afghanistan Reborn
- Tsunami Relief
- Supporting Human Rights and Democracy
- Trafficking in Persons Report
- IGA: Working With State and Local Governments
- Key Officers of Foreign Service Posts
- U.S. Department of State: A Guide to Doing Business
- Country Background Notes
- Travel Tips for Students
- Travel Warnings



Summer 2005

Message from the Director

In his second Inaugural address, President Bush charged the men and women of the State Department with helping to create a balance of power in the world that favors freedom and dignity for all people everywhere – Secretary Rice leads that mission.

Upon Senate confirmation, Karen Hughes, former Counselor to the President, will join the Secretary's team as Under Secretary for Public Diplomacy and Public Affairs. In recent remarks, Hughes noted that, "America's diplomacy is not Republican or Democrat, but American.... Every American who travels or works abroad or welcomes an exchange student or a visitor in their home represents America to everyone that he or she meets."

In that vein, IGA Quarterly features vignettes submitted by foreign students who, while studying in the United States, visited elected officials to observe democratic governance at the local and state levels. We thank the governors, mayors, state representatives and First Spouses who served as "citizen diplomats" for the next generation of world leaders.

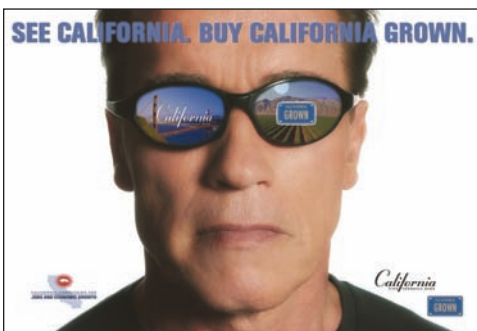
The Central American Free Trade Agreement has been a hot topic for discussion in Washington, DC and beyond. Inside this issue, we highlight international trade and how elected officials use trade missions abroad to promote their states to a global market, while they boost jobs and revenues at home.

As elected officials you have a unique role in the United States, but in a larger scheme, you are representatives of the most successful democracy in the world. You have much to share, not just with your community but with the world.

Portia Palmer, Director, Office of Intergovernmental Affairs



U.S. Secretary of State Condoleezza Rice hugs Chinese children skaters during a visit to a skating rink at the China World Trade Center.



Billboards sponsored by the California Jobs and Economic Growth Commission, like this one promoting California travel and agricultural products, appeared in Tokyo throughout the Governor's trade mission.

Schwarzenegger in Japan

Governor Schwarzenegger visited Japan on his first trade mission to promote California's businesses, encourage travel and tourism, and to market California grown products. "Up until now, I came to promote my movies and the Special Olympics, but this time I'm representing the people of California," the Governor said to the crowd assembled for his arrival.

Japan is California's top investor and its second-largest trading partner. The Governor spent four days in Tokyo meeting with business and government leaders and participating in events that highlighted California's many tourist attractions including Disneyland and Universal Studios.

As the largest agricultural producer and exporter in the U.S., California supplies the world with more than \$27 billion in products every year. The Governor attended events sponsored by the "California Grown" campaign to persuade Japanese consumers to buy more California foods and produce. ■

Bush Administration Strengthens U.S. Partnership With Africa

Earlier this summer in an address at the African Growth and Opportunity Act (AGOA) Forum in Dakar, Senegal, Secretary of State Condoleezza Rice confirmed the U.S. pledge to partner with African nations to achieve their vision of sustainable growth, development, and active participation in the world economy.

AGOA expands duty-free access for more than 6,400 products to U.S. markets. AGOA also provides a framework for U.S. technical assistance to build trade capacity and expand business links. "AGOA represents the strong bipartisan consensus behind America's support for Africa's development. And it enshrines the principles of good governance as a condition of membership," the Secretary remarked to foreign ministers from several sub-Saharan African countries.

The AGOA Forum came on the heels of the G8 Summit in Gleneagles, Scotland. The summit produced concrete measures that will have a real impact on bettering the lives of African people and will advance debt relief, humanitarian aid, and the fight against malaria. President Bush and British Prime Minister Tony Blair led the G8 toward full cancellation of the debt of heavily indebted poor countries.

With President Bush's leadership, the U.S. has tripled its devel-



First Lady Laura Bush stands with U.S. Ambassador to South Africa Jendayi Frazer during her visit to South Africa.

opment assistance to Africa. The President has also launched the largest effort ever by one nation to combat a single disease – the \$15 billion Emergency Plan for AIDS Relief.

The Millennium Challenge Account initiative is providing new development grants to nations that govern justly, promote economic freedom, and invest in their people. So far, eight African countries have qualified to apply for grants, while two, Madagascar and Cape Verde, have already signed development compacts each worth \$110 million.

A peaceful Sudan is important to the United States to promote regional stability in the volatile horn of Africa and U.S. policy is to continue to remain engaged in the region. Three visits by Deputy Secretary of State Robert Zoellick, as well as a summer visit by Secretary Rice, underscore the continuing commitment of the United States to support the international effort to promote peace and security in Sudan. The U.S. has maintained a lead position in the sustained international effort to galvanize the North-South peace process while simultaneously working to ensure humanitarian access to conflict-affected populations.

For more information on U.S. initiatives in Africa, contact the Office of Intergovernmental Affairs at (202) 647-5358 or visit <http://www.whitehouse.gov/infocus/africa>. ■

Western Hemisphere Travel Initiative Designed To Expedite Travel While Enhancing Security

All travelers, including U.S. citizens, to and from Bermuda, the Caribbean, Central and South America, Mexico, and Canada will be required to have a passport or other secure, accepted document to enter or re-enter the United States. This is a change from previous travel requirements and will affect all United States citizens entering the United States from countries within the Western Hemisphere who do not currently possess valid passports.

This new requirement will also affect certain foreign nationals who currently are not required to present a passport to travel to the United States. The Western Hemisphere Travel Initiative will require all U.S. citizens as well as all citizens of Canada, Bermuda and Mexico to have a passport or other accepted secure document to enter or re-enter the U.S. by January 1, 2008.

The Intelligence Reform and Terrorism Prevention Act of 2004 (also known as the 9/11 Intelligence Bill) mandated that the Secretary of Homeland Security, in consultation with the Secretary of State, develop and implement a plan to require U.S. citizens and foreign nationals to present a passport, or other secure document, when entering the United States.

The Western Hemisphere Travel Initiative requirements will be implemented in phases, providing as much advance notice as possible to the affected public to enable them to meet the terms of the new guidelines.

The proposed timeline is as follows:

- December 31, 2006 – Passport or other accepted document required for all air and sea travel to or from Bermuda, the Caribbean, Central and South America, Mexico and Canada.
- December 31, 2007 – Passport or other accepted document required for all air, sea, and land border crossings.

For more information on the Western Hemisphere Travel Initiative, visit: travel.state.gov. ■



Trade, Investment, and Tourism

International trade and investment are critical to all states' future economic health (see guest column). Total U.S. merchandise exports grew from \$723.7 billion in 2003 to \$817.9 billion in 2004, a 13% increase in just one year. Texas and California combined to account for more than a quarter of those totals.

The U.S. Trade Representative negotiates bilateral and regional trade agreements such as the Central America Free Trade Agreement (CAFTA). This agreement between the U.S., the Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, is designed to eliminate tariffs and trade barriers and expand regional opportunities for workers, manufacturers, consumers, farmers, ranchers, and service providers of all the countries.

Eighty percent of CAFTA imports already enter the United States duty free under the Caribbean Basin Initiative, Generalized System of Preferences and Most Favored Nation programs; CAFTA will level the playing field and provide opportunities for small businesses and U.S. farmers as barriers are lifted to open

trade in goods and services between the U.S. and this growing market of 44 million consumers.

CAFTA member-countries comprise the second-largest U.S. export market in Latin America, behind only Mexico, purchasing more than \$15 billion in U.S. exports. CAFTA member-countries represent a key export market for U.S. manufacturing sectors such as information technology, agricultural and construction equipment, paper products, chemicals, and medical and scientific equipment.

Another benefit of trade agreements is that they serve as economic incentives to advance political reform. With CAFTA, for example, the U.S. has an opportunity to reaffirm its commitment to the success of democracy in Latin America. Democratic nations will work to create the political conditions for attracting trade and investment and, ultimately, for prosperity.

Tourists and other international visitors represent another connection that states and cities have to the global economy. Recently the U.S.

Department of Commerce reported that 32 cities and 22 states/territories posted double-digit growth in overseas visitors in 2004. New York City, Los Angeles, Miami, Orlando, Honolulu, San Francisco, Las Vegas, and Washington D.C. all hosted more than 1 million overseas visitors.

"The 13% growth in arrivals to the U.S. for 2004 represents the best single-year growth in overseas arrivals to the country since 1995," said Deputy Assistant Secretary of Commerce for Services Douglas B. Baker. "The strong showing by U.S. destinations illustrates the diversity and interest that international visitors have in our states, cities, and territories."

For information on how CAFTA may affect your state, visit the International Trade Administration at www.ita.doc.gov/cafta/state_exports_to_cafta. For general information and resources on tourism, international trade, and investment, contact the Office of Intergovernmental Affairs at (202) 647-5358 or visit FirstGov.gov or Export.gov. ■

International Trade and States

The following was excerpted from remarks given by John Pastor, Director of the International Center of Excellence at the Delaware Economic Development Office, at the National Conference of State Legislators Conference on International Trade in Washington, DC.

I was asked to explain how the State of Delaware engages and keeps state legislators informed about international matters affecting the State. First allow me to explain what we actually do for the citizens and businesses of Delaware

Our mission is to retain, expand, create, and attract businesses, organizations, institutions and enterprises that provide quality jobs for Delawareans. Our international objective is to continue to assist and facilitate Delaware businesses and institutions to participate and be competitive in the global environment. Assistance is provided to businesses, as well as to our institutions of higher education.

Trade leads and opportunities are provided to businesses in the state. We secure trade leads from resources around the world, review the leads for authenticity, and forward them to Delaware

businesses free of charge.

Trade events are critical for small and medium-sized enterprises to expose their products to international markets. We assist businesses to introduce their products to buyers at trade shows, exhibitions, missions, and matchmaking events around the world.

Why Do Delaware Legislators Care?

In 2001, when Governor Minner was first inaugurated, major employer DaimlerChrysler was losing money and looking to cut costs. They have a facility in Delaware employing more than 2,000 highly skilled and well-paid citizens. We recognized the importance of personal contact and immediately arranged for Governor Minner and four legislators to visit DaimlerChrysler headquarters in Stuttgart, Germany. Today, the Durango vehicles are still manufactured at the DaimlerChrysler plant in Newark, Delaware.

Biotechnology developments are ongoing, mutually beneficial relationships. Today we have joint research and development between University of Delaware and Sweden's University of Kalmar, supported by several major corporations.

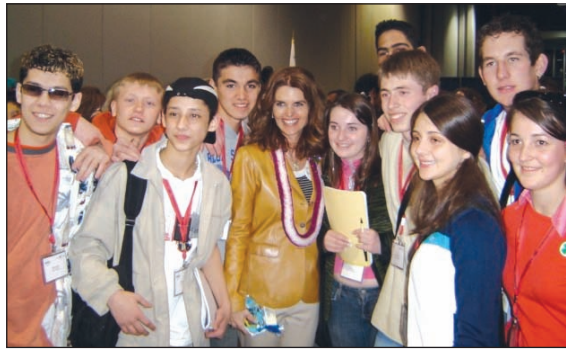
California's First Lady Supports Youth Exchange

Fifty students from the Youth Exchange and Study, Future Leaders Exchange and Congress-Bundestag Youth Exchange programs recently participated in the National Service Learning Conference in Long Beach, CA. Maria Shriver, the First Lady of California, visited the conference and joined the students in assembling Spring Baskets for local Head Start programs. The students used the skills and knowl-

edge they gained at the Conference to organize volunteer projects for National Youth Service Day in their host communities. A Youth Exchange and Study student from Afghanistan designed fundraising projects to help build an elementary school in Kabul.

Partnerships for Learning, Youth Exchange and Study is a program sponsored by the State Department to provide scholarships for secondary school students from countries with significant Muslim populations to spend up to one academic year in the U.S. During academic year 2004-2005, 450 students joined the program from: Afghanistan, Algeria, Bangladesh, Egypt, Indonesia, Iraq, Israel, Jordan, Kuwait, Lebanon, Malaysia, Morocco, Nigeria, Oman, Pakistan, Philippines, Syria, Tunisia, Turkey, West Bank/Gaza, and Yemen.

The Future Leaders Exchange (FLEX), established in 1992 with funding from the State Department and USAID, provides opportunities for high school students from the countries of the former Soviet Union to experience life in a democratic society in order to promote democratic values and institutions in Eurasia. Since the program's inception, more than 14,000 students from the former Soviet Union have spent one academic year attending schools and



living with host families throughout the United States.

This summer, FLEX students visited Missouri's state capitol in Jefferson City and spent the day with state Representative Brian Yates and Senator Matt Bartle. Other FLEX students met with staff of Missouri Governor, Matt Blunt, and with Washington Senator Bob Morton at the state capitol in Olympia.

Eurasian students studying in Iowa visited state Senators Iverson, Lamberti and Brunkhorst in Des Moines, the state capitol. In Kansas, six FLEX students were special guest pages for a day at the state legislature. Before the opening session of the House of Representatives, the students met with Kansas Governor Kathleen Sebelius.

One FLEX student from the Ukraine shadowed Mayor Dave Taylor of Tonganoxie, Kansas. The student later wrote about his experience with Mayor Taylor: "Being a leader is not easy. To be a good leader means to be well-informed, intelligent, patient, and spare no efforts to achieve your aim.... This is why a real leader needs to think fast, to make a quick, but right decision, so the majority will be happy."

The Office of Intergovernmental Affairs works closely with the FLEX Program to match foreign exchange students studying in the U.S. with elected officials. For more information on the Department of State's professional, youth, and cultural exchange opportunities, call the Office of Intergovernmental Affairs at (202) 647-5358 or visit <http://exchanges.state.gov/education/citizens> on the web. ■

Last September, two Delaware legislators visited Rome and met with Prime Minister Berlusconi to further mutual relationships. Involving legislators in meetings and international events allows the legislators to know what states' international departments do and strengthens the states' ability to meet with business and government leaders.

Five years ago we opened an office in Taipei, Taiwan. Delaware legislators were there to officially open the office. Our legislators know what is occurring around the globe, because they care and demand to be informed.

How does this impact our economy?

Last year, avian influenza impacted our poultry industry. All American poultry imports were banned by countries around the world. Three major poultry companies in Delaware actually had cargo on vessels destined to Asian markets. Because of the personal connections our governor and legislators developed and maintain, we were able to convince Taiwan to take the poultry shipment and our companies continue to export to the market.

The Development Center for Biotechnology of Taiwan signed a

joint research and development agreement with Delaware Fraunhofer providing close to \$200,000. Again, legislators were an integral part of this development and program.

Our port is a major import facility for perishables from Central and South America. Bananas you eat here in Washington are imported through the Port of Wilmington. CAFTA [the Central American Free Trade Agreement] could increase the business volume at the port. Increased trade with countries physically close to the U.S. provides easier and more cost-effective transportation.

I urge each of you to learn more about international trade and support your state's international efforts. Many of my counterpart trade directors face difficult situations by legislative actions to curtail funding of international trade programs in their state. You should be funding your international programs so you can be better informed and make the right choices for your constituents.

John Pastor is the Director of the International Center of Excellence at the Delaware Economic Development Office. For more information, visit them on the web at www.state.de.us/dedo/new_web_site/frames/international_trade_services.html. ■

Michigan Governor Encourages German Leaders To Expand Investment in Michigan

Michigan Governor Jennifer Granholm traveled to Germany with business leaders from the Michigan Economic Development Corporation on her first investment mission. In five days, she met and made presentations to nearly 50 German automobile, biotech, and pharmaceutical companies.

The goal of the trade mission was to convince German companies currently doing business in Michigan to expand their investment and to encourage those not in the state to include Michigan in their growth plans.

"The auto industry has been Michigan's number one employer for as long as anyone can remember," Granholm said. "Today, we are a leading center for automobile research and development. Tomorrow we also want to be a leader in life science, new technologies and other industries that will grow our 21st century economy," the Governor told an audience at the James F. Byrnes Institute in Stuttgart. ■

GOVERNORS ON THE MOVE

Taiwan and Japan: Indiana Governor Mitch Daniels

Cuba: Nebraska Governor Dave Heineman

Japan, China, South Korea, and Taiwan:
Mississippi Governor Haley Barbour

France, Germany, and England: Ohio Governor Bob Taft

Taiwan, Japan, South Korea, and China:
Louisiana Governor Kathleen Blanco

Mexico: Idaho Governor Dirk Kempthorne

Israel: Georgia Governor Sonny Perdue



U.S. Pavilion Opens at the World EXPO 2005

The U.S. Pavilion opened its doors on March 25 to visitors at the start of the World EXPO 2005. The exposition, taking place in Aichi, Japan, is expecting more than 15 million visitors during its run through September 2005.

The U.S. Pavilion exhibits alongside 122 other countries. Upon entering the 22,230 square foot Pavilion, exhibits feature American innovation from the past, present and future, including: a replica of the 1902 Wright Glider, a viewing area that displays same-day images of Saturn and its rings and a futuristic concept vehicle.

In 2003, President Bush committed to Japanese Prime Minister Koizumi to be present at the first World EXPO of the 21st century. Aichi USA 2005 was established to raise funds for the U.S. Pavilion through the support of the U.S. private sector, state government partners, educational institutions, and other organizations.

Various U.S. state and corporate delegates have already attended the EXPO. Florida's First Lady Columba Bush recently participated in "Florida Days" at the Pavilion. "I am thrilled with this opportunity to share with the leadership and people of Japan and those attending the Aichi World EXPO all that makes Florida so special," said Mrs. Bush. "It's a wonderful opportunity to showcase our state to the international community and enhance ties with the Pacific Rim."

For more information on events visit www.uspavilion.com or www.expo2005.or.jp/en/index.html. ■

State Delegations to U.S. Pavilion at World EXPO 2005:

- Florida First Lady Columba Bush
- Indiana Governor Mitch Daniels
- Michigan Governor Jennifer Granholm
- Mississippi Governor Haley Barbour
- New Mexico Governor Bill Richardson
- Virginia Governor Mark Warner

Iraqi Leaders Visit U.S. Cities and the White House

Last Spring, Iraqi officials representing Baghdad, Kirkuk, and Sulaymaniah visited several U.S. cities (Tucson, Dallas, Denver) and the White House. In discussions on best practices and governing, the Baghdad officials sought solutions to the issue of operating a local government in the presence of a national government. The other issues discussed were concerns about economic development and international trade opportunities for Iraq.

From left to right (White House Portico):
Sheik Mohammed Baqer Al Suhail (Baghdad),
Abdulrahman Mustafa Fatah (Kirkuk), Omar
Mohammed Amin Al Rahmani (Baghdad), Qader
Hama Jan Azziz (Sulaymaniyah)



U.S. Elected Officials Abroad

April

Canada: Colorado Governor Bill Owens and Denver Mayor John Hickenlooper led a 3-day trade mission in Calgary and Alberta, Canada to promote Colorado as the destination in the western U.S. for Canadian energy companies.

Japan: California Governor Arnold Schwarzenegger led a trade mission to Tokyo.

China and India: Virginia Governor Mark Warner led a trade mission to both countries.

Italy: Florida Secretary of State Glenda Hood led a trade mission to Italy.

May

Japan, South Korea and China: Idaho Governor Dirk Kempthorne led a trade mission to Tokyo, Japan; Seoul, South Korea; and Beijing and Shanghai, China. Iowa Governor Tom Vilsack also led a delegation to China, including a visit to one of Iowa's sister cities, Shijiazhuang, in Hebei province.

Italy: Charles Tooley, mayor of Billings, Montana, visited Venice, Italy and met with the office of the Venetian Commissioner of Tourism and Cultural Affairs.

June

Cyprus: Charles Tooley, mayor of Billings, Montana, visited Nicosia, Tochni, and Larnaca, Cyprus.

Czech Republic, Hungary and Serbia: Maryland State Delegate Adrienne Mandel traveled to Prague, Budapest, and Belgrade.

China: Officials from the National Conference of State Legislatures took several legislators on a study tour to China.

IGA on the Horizon

Be sure to check this section each quarter for updates...

AUGUST 2005

- 1-7 American Legislative Exchange Council Annual Meeting, Grapevine, TX
- 16-20 National Conference of State Legislatures Annual Meeting and Exhibition, Seattle, WA
- 25-27 National League of Cities 13th Annual Leadership Summit, Cambridge, MA

SEPTEMBER 2005

- 7-9 National Association of Towns and Townships America's Town Meeting, Washington, DC
- 7, 17 Presidential Elections in Egypt
- 11-14 Council of State Governments-West Annual Meeting, Portland, OR
- 13 United Nations General Assembly, New York, NY
- 14-16 U.S.-Arab Economic Forum, Houston, TX
- 18 Parliamentary Elections in Afghanistan
- 25-28 International City/County Management Association 91st Annual Conference, Minneapolis, MN

Meetings and Conferences

IGA participated and hosted exhibits at these meetings and conferences:

- **April 15:** National Conference of State Legislatures Spring Forum, Washington, DC
- **April 28:** National Conference of Black Mayors, Columbus, OH
- **June 10-14:** U.S. Conference of Mayors 73rd Annual Meeting, Chicago, IL
- **June 23-24:** Governing in the Global Age, Washington, DC

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Liaison to U.S. foreign policymakers and subject matter experts:

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- Arrange special-issue briefings; and
- Create a forum in which your foreign policy views can be heard by senior Department officials.

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- Provide information on foreign policy, international trade, exchanges, and protocol issues;
- Engage the support of U.S. Embassies and Missions for official delegations' travel abroad; and
- Direct state and local officials to the appropriate Department office for international travel or foreign policy concerns.

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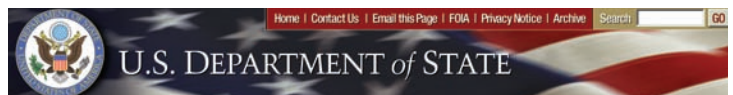
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